



Q2 2014



7 August 2014

Conference call on Q2 2014 results
Corporate Finance & Investor Relations

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AGENDA

Q2 2014 Presentation

■ Highlights Q2 2014

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HIGHLIGHTS Q2 2014**Introductory remarks to Q2 2014 earnings**

Macro Economy	Mixed macroeconomic picture with positive growth momentum in Europe and North America. Latin America is volatile and improvements in Asia Pacific.
Gross profit	Gross profit of EUR 502.2m at a growth of 3.2% on a constant FX basis.
Operating EBITDA	Operating EBITDA of EUR 176.7m at a growth of 8.3% on a constant FX basis.
Acquisition	Acquisition of Philchem, Inc. in the USA at the beginning of June is a good addition to our existing business.
Stock Split	In June, General Shareholders' Meeting approved 1:3 stock split and trading ex-split started on August 1, 2014.

HIGHLIGHTS Q2 2014

Operating highlights Q2 2014

	Q2 2014	Comments	Change
Gross profit	EUR 502.2m	<ul style="list-style-type: none"> FX adjusted increase of 3.2% y-o-y 	
Operating EBITDA	EUR 176.7m	<ul style="list-style-type: none"> Increase of 8.3% on a constant FX basis Decrease of 1.8% against adjusted Q2 2013 	
Operating EBITDA/ Gross profit	35.2%	<ul style="list-style-type: none"> Q2 2013 = 33.7% (37% if adjusted for the for a non-recurring cost item) 	
Free cash flow	EUR 110.8m	<ul style="list-style-type: none"> Against EUR 100.0m in Q2 2013 	

HIGHLIGHTS Q2 2014

Acquisition of expert for supply chain solutions in North America

Philchem, Inc.,
Houston, Texas, USA

- In 2013: Sales of approx. USD 162m, Gross Profit of USD 7.7m and an EBITDA of USD 6.1m
- Investment amount of USD 42m
- Acquisition was closed in June 2014
- Philchem
 - Has an excellent know-how in selected product groups
 - Has long term relationships with key suppliers and an excellent logistics expertise
 - Is specialized in managing supply and demand situations

HIGHLIGHTS Q2 2014

Implementation of 1:3 stock split as of 1 August 2014

Purpose	Making the share more attractive to an even broader range of investors and increasing its liquidity.
GSM approval	In June 2014 Brenntag's GSM approved capital increase from company funds through issuance of new shares.
Changes	Increase of registered share capital from 51.5m EUR to 154.5m EUR and division into an equally high number of registered non-par-value shares.
1 August 2014	Shareholders were issued 2 additional shares for each Brenntag share whereby invested capital remained unchanged.
Note	Stock split impacts certain key figures like EPS, DPS, target price etc.

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FINANCIALS Q2 2014

Income statement

in EUR m	Q2 2014	Q2 2013	Δ	Δ FX adjusted	2013
Sales	2,501.3	2,544.7	-1.7%	1.3%	9,769.5
Cost of goods sold	-1,999.1	-2,042.5	-2.1%		-7,824.0
Gross profit	502.2	502.2	0.0%	3.2%	1,945.5
Expenses	-325.3	-333.1	-2.3%		-1,248.7
EBITDA	176.9	169.1	4.6%	8.5%	696.8
Add back transaction costs ¹⁾	-0.2	-			+1.5
Operating EBITDA	176.7	169.1	4.5%	8.3%	698.3
Adj. operating EBITDA ²⁾	176.7	185.9	-4.9%	-1.8%	715.1
Op. EBITDA / Gross profit	35.2%	33.7%			35.9%
Adj. Op. EBITDA / Gross profit ²⁾	35.2%	37.0%			36.8%

1) Transaction costs are costs connected with restructuring and refinancing under company law.

2) Q2 2013 (EUR 16.8m) are adjusted for non-recurring cost items in Europe in relation to an antitrust case.

FINANCIALS Q2 2014

Income statement (continued)

in EUR m	Q2 2014	Q2 2013	Δ	2013
EBITDA	176.9	169.1	4.6%	696.8
Depreciation	-24.4	-26.9	-9.3%	-101.2
EBITA	152.5	142.2	7.2%	595.6
Amortization ¹⁾	-8.7	-9.6	-9.4%	-39.7
EBIT	143.8	132.6	8.4%	555.9
Financial result ²⁾	-20.2	-23.2	-12.9%	-60.7
EBT	123.6	109.4	13.0%	495.2
Profit after tax	80.8	68.9	17.3%	338.9
EPS (after share split) ³⁾	0.52	0.44	18.2%	2.20
EPS excl. Amortization and Zhong Yung liability ⁴⁾	0.56	0.49	14.3%	2.21

1) Includes scheduled amortization of customer relationships amounting to EUR 6.9m in Q2 2014 (EUR 7.7m in Q2 2013 and EUR 32.8 million in 2013).

2) Thereof EUR -0.6m in Q2 2014 (EUR -1.1m in Q2 2013) are related to a change of the purchase price obligation for Zhong Yung (International) Chemical Ltd., which has to be recorded in the income statement according to IFRS (EUR 26.8m in 2013).

3) EPS before stock split EUR 1.56 in Q2 2014 (EUR 1.33m in Q2 2013) and EUR 6.59 in 2013

4) Adjusted for the net effect of amortizations and changes in the purchase price obligation for the outstanding 49% in Zhong Yung (International) Chemical Ltd.

FINANCIALS Q2 2014

Cash flow statement

in EUR m	Q2 2014	Q2 2013	2013
Profit after tax	80.8	68.9	338.9
Depreciation & amortization	33.1	36.5	140.9
Income taxes	42.8	40.5	156.3
Income tax payments	-53.6	-39.9	-159.9
Interest result	18.4	18.4	73.8
Interest payments (net)	-14.4	-10.9	-73.2
Changes in current assets and liabilities	-47.6	-57.1	-63.2
Change in purchase price obligation/IAS 32	0.9	1.2	-25.3
Other	-11.9	21.4	-30.5
Cash provided by operating activities	-48.5	79.0	357.8

FINANCIALS Q2 2014

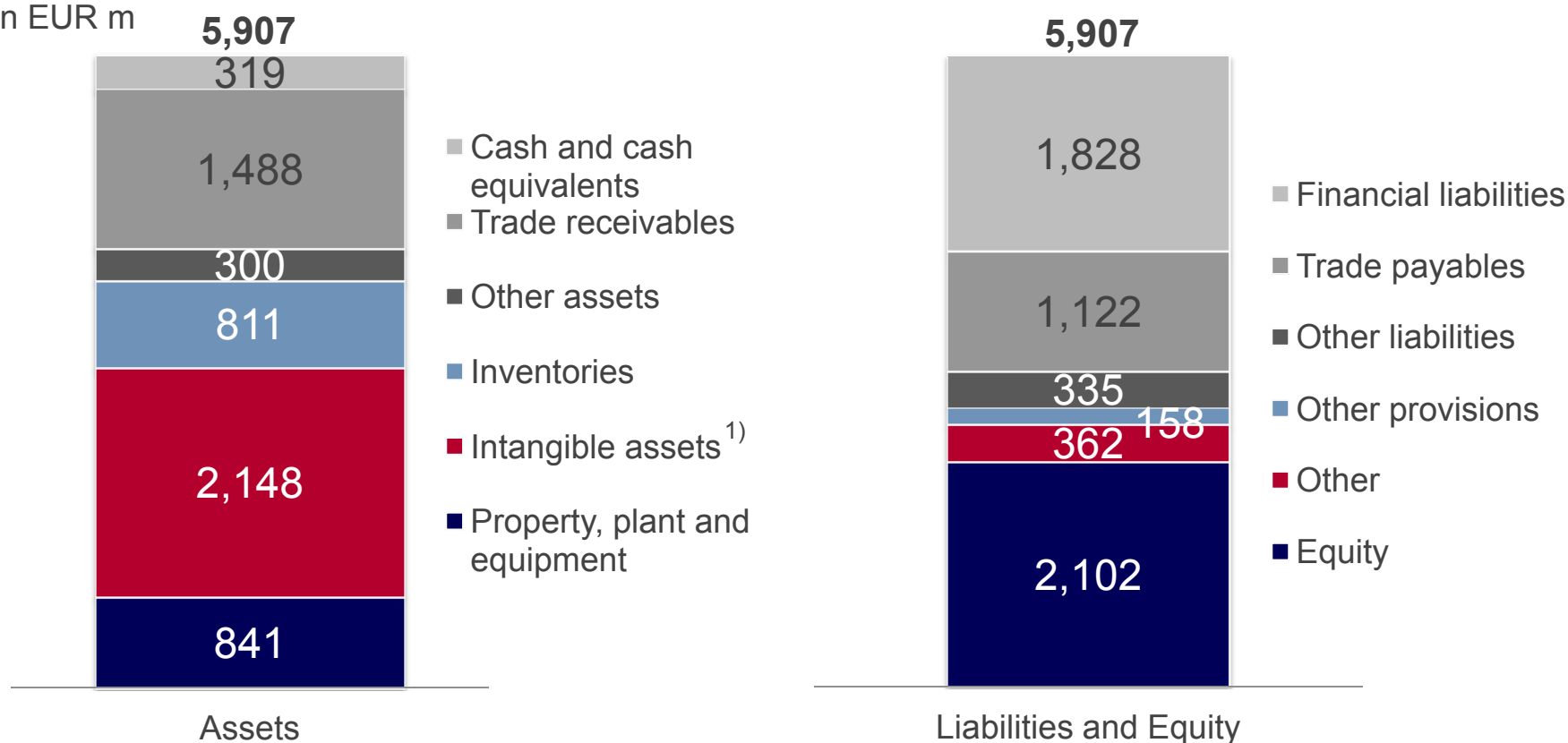
Cash flow statement (continued)

in EUR m	Q2 2014	Q2 2013	2013
Purchases of intangible assets and property, plant & equipment (PPE)	-23.0	-18.2	-98.2
Purchases of consolidated subsidiaries, other business units and financial assets	-50.6	-33.0	-43.9
Other	0.5	1.2	6.9
Cash used for investing activities	-73.1	-50.0	-135.2
Capital increase	-	-	-
Payments in connection with the capital increase	-	-	-
Purchases of shares in companies already consolidated	-	-	-
Dividends paid to minority shareholders	-0.9	-1.0	-1.5
Dividends paid to Brenntag shareholders	-133.9	-123.6	-123.6
Repayment of (-)/proceeds from (+) borrowings (net)	22.9	19.9	9.2
Cash used for financing activities	-111.9	-104.7	-115.9
Change in cash & cash equivalents	-136.5	-75.7	-106.7

FINANCIALS Q2 2014

Balance Sheet as of June 30, 2014

in EUR m



1) Of the intangible assets as of June 30, 2014, some EUR 1,153 million relate to goodwill and trademarks that were capitalized as part of the purchase price allocation performed on the acquisition of the Brenntag Group by funds advised by BC Partners Limited, Bain Capital, Ltd. and subsidiaries of Goldman Sachs International at the end of the third quarter of 2006 in addition to the relevant intangible assets already existing in the previous Group structure.

FINANCIALS Q2 2014

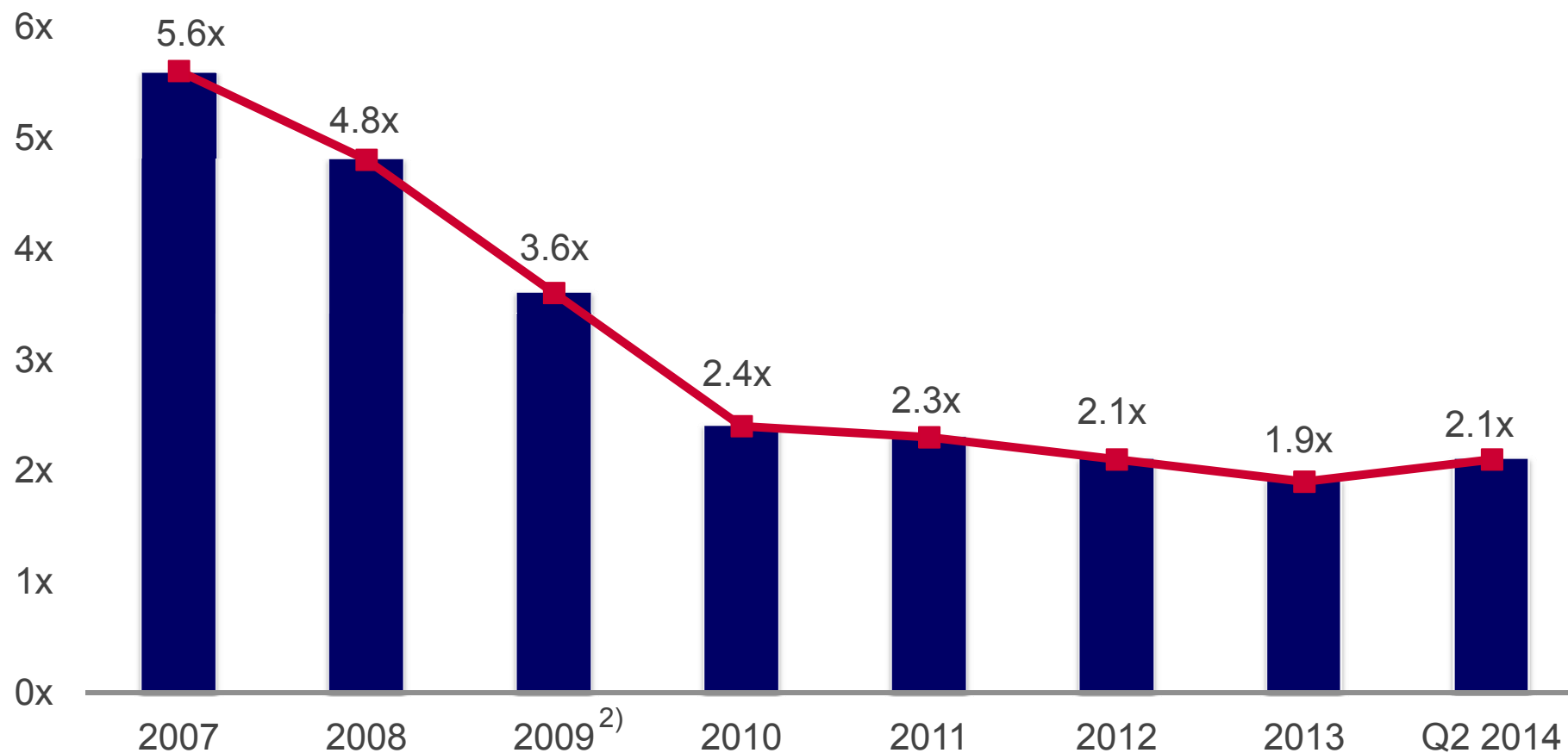
Balance Sheet and leverage

in EUR m	30 June 2014	31 Mar 2014	31 Dec 2013	30 June 2013
Financial liabilities	1,828.4	1,771.5	1,768.5	1,851.1
./. Cash and cash equivalents	318.7	448.8	426.8	272.3
Net Debt	1,509.7	1,322.7	1,341.7	1,578.8
Net Debt/Operating EBITDA ¹⁾	2.1x	1.9x	1.9x	2.3x
Equity	2,101.8	2,147.3	2,093.7	1,952.7

1) Operating EBITDA for the quarters on LTM basis.

FINANCIALS Q2 2014

Leverage: Net debt/Operating EBITDA¹⁾

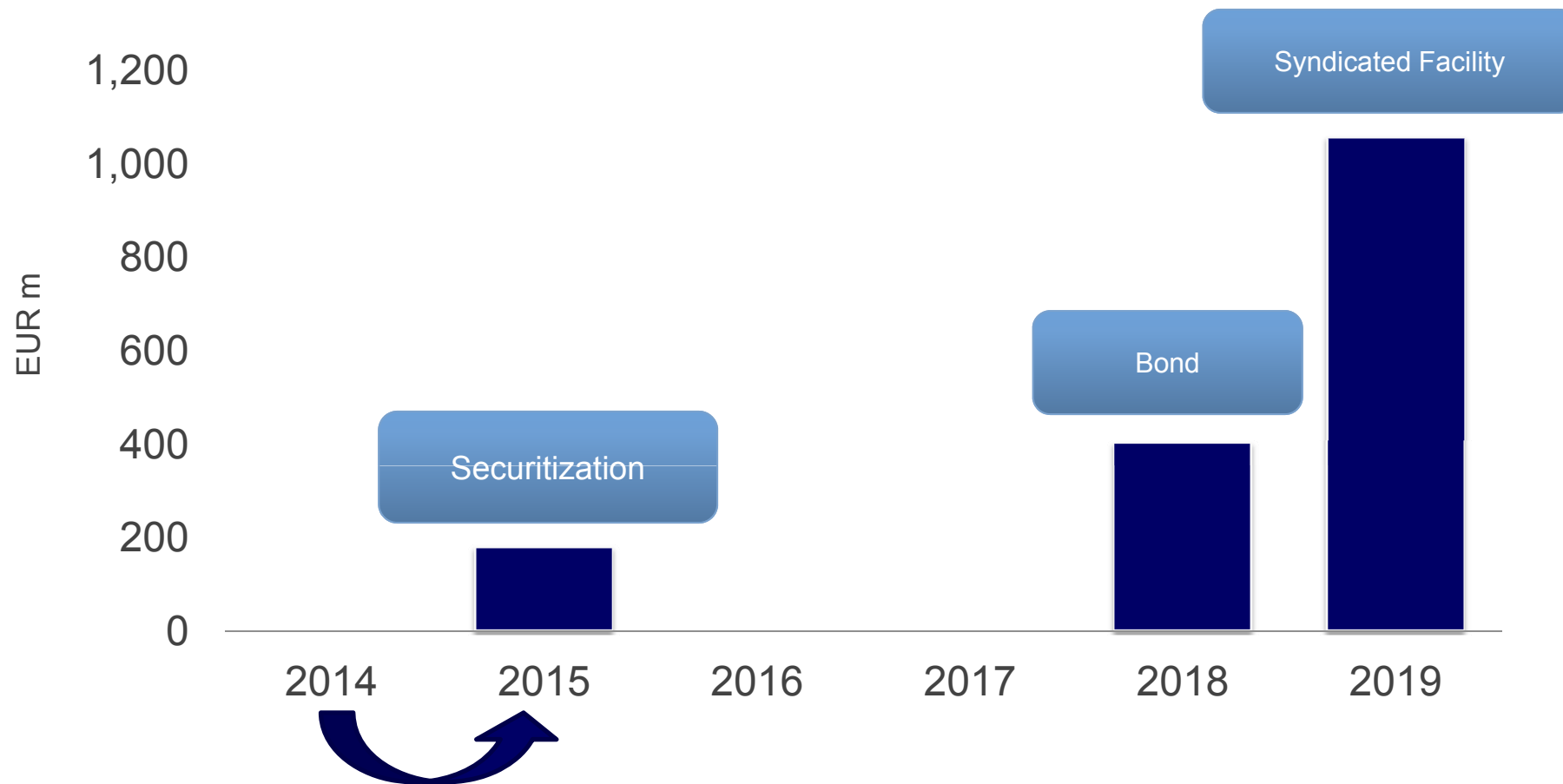


1) Net debt defined as current financial liabilities plus non-current financial liabilities less (cash and cash equivalents).

2) 2009 adjusted for expense items relating to the early termination of a multi-year incentive program.

FINANCIALS Q2 2014

Maturities profile as of 30 June 2014¹⁾



1) Syndicated loan, bond and liabilities under the international accounts receivable securitization program excluding accrued interest and transaction costs on the basis of end of period exchange rates.

FINANCIALS Q2 2014

Working capital

in EUR m	30 June 2014	31 Mar 2014	31 Dec 2013	30 June 2013
Inventories	810.5	760.5	757.1	790.3
+ Trade receivables	1,488.3	1,424.2	1,248.8	1,462.0
./. Trade payables	1,122.4	1,072.3	961.5	1,101.1
Working capital (end of period)	1,176.4	1,112.4	1,044.4	1,151.2
Working capital turnover (year-to-date) ¹⁾	8.9x	9.0x	9.0x	9.1x
Working capital turnover (last twelve months) ²⁾	8.7x	8.8x	9.0x	8.9x

1) Using sales on year-to-date basis and average working capital year-to-date.

2) Using sales on LTM basis and average LTM working capital.

FINANCIALS Q2 2014

Free cash flow

in EUR m	Q2 2014	Q2 2013	Δ	Δ	2013
EBITDA	176.9	169.1	7.8	4.6%	696.8
Capex	-22.3	-18.9	-3.4	18.0%	-97.2
Δ Working capital	-43.8	-50.2	6.4	-12.7%	-56.2
Free cash flow	110.8	100.0	10.8	10.8%	543.4

FINANCIALS Q2 2014

Segments

in EUR m		Europe	North America	Latin America	Asia Pacific	All other segments	Group
Operating gross profit	Q2 2014	246.6	193.9	39.5	30.1	3.8	513.9
	Q2 2013	237.2	198.1	43.4	31.1	4.1	513.9
	Δ	4.0%	-2.1%	-9.0%	-3.2%	-7.3%	0.0%
	Δ FX adjusted	4.0%	3.4%	-2.7%	4.9%	-7.3%	3.2%
Operating EBITDA¹⁾	Q2 2014	85.5	77.6	9.0	10.2	-5.6	176.7
	Q2 2013	84.3	83.1	13.2	12.2	-6.9	185.9
	Δ	1.4%	-6.6%	-31.8%	-16.4%	-18.8%	-4.9%
	Δ FX adjusted	1.3%	-1.6%	-27.6%	-8.1%	-18.8%	-1.8%

1) Q2 2013 (EUR 16.8m) is adjusted for non-recurring cost items in Europe in relation to an antitrust case

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OUTLOOK

	2013 Q2 2014	Comments	Trend 2014
Sales	EUR 9,770m EUR 2,501m	<ul style="list-style-type: none"> ▪ Ongoing macroeconomic recovery at a moderate pace with challenges in emerging markets. 	
Gross profit	EUR 1,946m EUR 502m	<ul style="list-style-type: none"> ▪ Positive development of gross profit is supported by structural growth trends. 	
Operating EBITDA	EUR 698m EUR 177m	<ul style="list-style-type: none"> ▪ Op. EBITDA is expected between EUR 700m – 720m for full year 2014. ▪ Guidance range is to be understood before extraordinary effects and no major FX rate changes. ▪ Expected growth driven by segments Europe and North America. 	
Profit after tax	EUR 339m EUR 81m	<ul style="list-style-type: none"> ▪ Developing broadly in line with operating EBITDA (when not taking into account the positive one-off effect in the financial result in 2013) 	

OUTLOOK

	2013 Q2 2014	Comments	Trend 2014
Working capital	EUR 1,044m EUR 1,176m	<ul style="list-style-type: none"> To a large extent a function of sales growth. Expected to grow in 2014 (compared to year end 2013). 	
Capex	EUR 97m EUR 22m	<ul style="list-style-type: none"> Increase of Capex spending to support future growth. Capex sufficient to support organic growth. 	
Free Cash Flow	EUR 543m EUR 111m	<ul style="list-style-type: none"> Free cash flow is expected to remain strong. 	

THANK YOU FOR YOUR ATTENTION



**Steven Holland,
CEO**

- With Brenntag since 2006
- +30 years of dedicated experience
- Corp. Communications, Development, HR, HSE, Internal Audit, M&A, regions Europe and Asia Pacific



**Georg Müller,
CFO**

- With Brenntag since 2003
- +10 years of experience in chemicals distribution
- Corp. Accounting, Controlling, Finance & IR, IT, Legal, Tax, Risk Management

We are ready to answer your questions!

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FINANCIALS H1 2014

Income statement

in EUR m	H1 2014	H1 2013	Δ	Δ FX adjusted
Sales	4,917.4	4,963.8	-0.9%	2.1%
Cost of goods sold	-3,931.6	-3,983.7	-1.3%	
Gross profit	985.8	980.1	0.6%	3.7%
Expenses	-644.9	-646.3	-0.2%	
EBITDA	340.9	333.8	2.1%	5.6%
Add back transaction costs ¹⁾	-0.2	-		
Operating EBITDA	340.7	333.8	2.1%	5.5%
Adj. operating EBITDA ²⁾	340.7	350.6	-2.8%	0.3%
Op. EBITDA/Gross profit	34.6%	34.1%		
Adj. Op. EBITDA / Gross profit ²⁾	34.6%	35.8%		

1) Transaction costs are costs connected with restructuring and refinancing under company law.

2) H1 2013 (EUR 16.8m) is adjusted for non-recurring cost items in Europe in relation to an antitrust case

FINANCIALS H1 2014

Income statement (continued)

in EUR m	H1 2014	H1 2013	Δ
EBITDA	340.9	333.8	2.1%
Depreciation	-48.4	-51.1	-5.3%
EBITA	292.5	282.7	3.5%
Amortization ¹⁾	-17.5	-19.6	-10.7%
EBIT	275.0	263.1	4.5%
Financial result ²⁾	-42.4	-47.7	-11.1%
EBT	232.6	215.4	8.0%
Profit after tax	152.9	138.7	10.2%

1) This figure includes for the period January to June 2014 scheduled amortization of customer relationships totalling EUR 13.8 million (H1 2013: EUR 16.0m).

2) Thereof EUR -1.2m in H1 2014 and EUR -2.4m in H1 2013 are related to change in purchase price obligation Zhong Yung (International) Chemical Ltd., which has to be recorded in the income statement according to IFRS.

FINANCIALS H1 2014

Cash flow statement

in EUR m	H1 2014	H1 2013
Profit after tax	152.9	138.7
Depreciation & amortization	65.9	70.7
Income taxes	79.7	76.7
Income tax payments	-81.5	-74.1
Interest result	37.4	37.1
Interest payments (net)	-28.5	-28.2
Changes in current assets and liabilities	-124.2	-137.3
Other	-6.5	29.1
Cash provided by operating activities	95.2	112.7

FINANCIALS H1 2014

Cash flow statement (continued)

in EUR m	H1 2014	H1 2013
Purchases of intangible assets and property, plant & equipment	-43.0	-40.1
Purchases of consolidated subsidiaries and other business units	-57.7	-33.0
Other	1.3	2.6
Cash used for investing activities	-99.4	-70.5
Capital increase	-	-
Payments in connection with the capital increase	-	-
Purchases of shares in companies already consolidated	-	-
Dividends paid to minority shareholders	-0.9	-1.0
Dividends paid to Brenntag shareholders	-133.9	-123.6
Repayment of (-)/proceeds from (+) borrowings (net)	22.9	14.6
Cash used for financing activities	-111.9	-110.0
Change in cash & cash equivalents	-116.1	-67.8

FINANCIALS H1 2014

Free cash flow

in EUR m	H1 2014	H1 2013	Δ	Δ	2013
EBITDA	340.9	333.8	7.1	2.1%	696.8
CAPEX	-40.9	-34.5	-6.4	18.6%	-97.2
Δ Working capital	-113.5	-128.8	15.3	-11.9%	-56.2
Free cash flow	186.5	170.5	16.0	9.4%	543.4

FINANCIALS H1 2014

Segments

in EUR m		Europe	North America	Latin America	Asia Pacific	All other segments	Group
Operating gross profit	H1 2014	490.7	376.3	77.1	57.9	7.4	1,009.4
	H1 2013	469.7	377.3	85.8	62.3	7.9	1,003.0
	Δ	4.5%	-0.3%	-10.1%	-7.1%	-6.3%	0.6%
	Δ FX adjusted	4.7%	4.9%	-3.4%	1.2%	-6.3%	3.8%
Operating EBITDA ¹⁾	H1 2014	168.7	145.6	19.7	18.7	-12.0	340.7
	H1 2013	160.0	152.8	25.9	25.5	-13.6	350.6
	Δ	5.4%	-4.7%	-23.9%	-26.7%	-11.8%	-2.8%
	Δ FX adjusted	5.4%	-0.1%	-18.3%	-19.7%	-11.8%	0.3%

1) H1 2013 (EUR 16.8m) is adjusted for non-recurring cost items in Europe in relation to an antitrust case

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